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COMMITTEE ON GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
FACSIMILE (202) 225-3974
MINORITY (202) 225-5051
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<http://reform.house.gov>

SUBCOMMITTEE ON NATIONAL SECURITY, EMERGING THREATS,
AND INTERNATIONAL RELATIONS

Christopher Shays, Connecticut
Chairman

Room B-372 Rayburn Building
Washington, D.C. 20515
Tel: 202 225-2548
Fax: 202 225-2382

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“UN Sanctions After Oil-for-Food: Still a Viable Diplomatic Tool?” Statement of Representative Christopher Shays May 2, 2006

There is no guarantee United Nations (UN) management reforms will ensure future sanctions succeed, but the lack of management reforms will certainly guarantee they fail.

UN Security Council Resolution 661 imposed comprehensive sanctions on Iraq after the 1990 invasion of Kuwait. Over the next four years, proposals to ease rather than enforce the sanctions dominated deliberations of the “661 Committee,” composed of all permanent and rotating Security Council members.

From its inception in 1996, the United Nations’ Oil-for-Food Program was susceptible to political manipulation and financial corruption. The program lacked United Nations oversight and accountability, and trusted Saddam Hussein with sovereign control over billions of dollars of oil sales and commodity purchases. This situation, of course, invited illicit premiums, kickbacks and other forms of corruption.

How was a well-intentioned program, designed and administered by the world’s preeminent multinational organization, so systematically and thoroughly pillaged?

The answers emerging from investigations by the Volker Commission, the Government Accountability Office (GAO), and from this Committee and other Congressional Committees point to a debilitating combination of political paralysis and a lack of oversight that metastasized behind a veil of official secrecy.

Two years ago, this Subcommittee first heard how Saddam Hussein's regime manipulated the Oil-for-Food Program. Our second hearing addressed problems the Oil-for-Food contract inspectors faced in dealing with both the Hussein regime and the United Nations. The third dealt with internal deliberations at the UN and willful ignorance of the Security Council members toward the corruption taking place.

At today's hearing we will consider implications of this scandal for future UN sanctions.

In the wake of the Oil-for-Food Program scandal, we ask how can the UN be expected to properly administer future sanctions against states such as Sudan or Iran which commit vicious crimes against their own people and threaten international peace and stability?

Sanctions are essential measures used to maintain or restore international peace and security. Sanctions are an alternative to armed conflict. The penalty or price applied to a state must outweigh the advantages of wrongful behavior and lead the target state to rescind its behavior.

No sanction program is effective unless its objectives are widely shared and supported among key UN member states. And we have learned from the Oil-for-Food scandal oversight of any sanction program is essential.

The GAO noted the UN Office of Internal Oversight Services, the inspector general of the UN, must be an independent operation and autonomous. Aggressive independent oversight ferrets out waste, abuse and fraud in huge bureaucracies. It uncovers illicit activities.

Secretary-General Kofi Annan, in March of this year issued a report setting out sweeping administrative reforms. If these reforms fail in the face of opposition, the UN is vulnerable to continued scandal. If implemented, these and other reforms will lend credibility to the United Nations and its ability to enforce a sanctions regime.

We are joined today by our Permanent Representative to the United Nations, Ambassador John Bolton, who will share his views on prospects for UN management reforms.

We are eager to hear his views about how sanctions worked in Iraq and how they will work in the future, particularly in confronting the genocide in Sudan and deterring Iran's nuclear program.

On our second panel, the Government Accountability Office, a former UN diplomat, and an advisor to the UN will provide their perspectives and recommendations.

We look forward to all their testimony.